



General Assembly

January Session, 2007

Amendment

LCO No. 9087

HB0722309087HDO

Offered by:

REP. BERGER, 73rd Dist.
REP. FRITZ, 90th Dist.
REP. GUERRERA, 29th Dist.
REP. BARRY, 12th Dist.

REP. STONE, 9th Dist.
REP. THOMPSON, 13th Dist.
SEN. HANDLEY, 4th Dist.

To: Subst. House Bill No. 7223

File No. 841

Cal. No. 208

**"AN ACT CONCERNING BUSINESS AND ENERGY
INDEPENDENCE DISTRICTS AND SPECIAL SERVICES
DISTRICTS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 8-376 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2007*):

5 (a) As used in this section and section 8-378, as amended by this act,
6 "distressed property" means any structure or unimproved lot or parcel
7 (1) that has unremedied building, housing or health code violations
8 which endanger persons or property; (2) that is abandoned, vacant or
9 unoccupied; (3) for which taxes are delinquent; or (4) that is a public
10 nuisance under any provision of the general statutes or any local
11 ordinance; and

12 (b) Any municipality [which] (1) that is a distressed municipality as
13 defined in subsection (b) of section 32-9p, on October 1, 1987, (2) that is
14 classified as a public investment community within the meaning of
15 subdivision (9) of subsection (a) of section 7-545, or (3) in which at least
16 twenty-five per cent of the geographic area in one United States census
17 tract or two contiguous census tracts, or adjacent portions thereof, is
18 distressed property may apply to the Commissioner of Economic and
19 Community Development to designate an area of such municipality as
20 a housing development zone. Any such area shall consist of one or two
21 contiguous United States census tracts or [a portion of an individual
22 census tract] portions of one or more census tracts as determined in
23 accordance with the most recent United States census in which at least
24 twenty-five per cent of the geographic area is distressed property. At
25 least twenty-five per cent of the designated area shall be zoned or
26 allow for multifamily residential dwellings.

27 Sec. 2. Section 8-378 of the general statutes is repealed and the
28 following is substituted in lieu thereof (*Effective July 1, 2007*):

29 (a) The Commissioner of Economic and Community Development
30 may approve the designation of [up to three areas in the state]
31 qualified portions of a municipality as housing development zones,
32 provided the commissioner shall not approve the designation of more
33 than one housing development zone in any municipality. [Proposals
34 for financial assistance received by the commissioner from eligible
35 developers, as defined in section 8-39, for programs or projects
36 authorized pursuant to chapter 128, 130, 133 or 138 which will be
37 located in a housing development zone shall be accorded a high
38 priority to receive financial assistance from the commissioner.] A
39 municipality seeking approval of designation shall provide the
40 commissioner with sufficient information to determine that the
41 proposed housing development zone meets the criteria established in
42 subsection (b) of section 8-376, as amended by this act. The
43 commissioner may remove the designation of any area which has been
44 approved as a housing development zone if such area no longer meets
45 the criteria for designation as such a zone set forth in sections 8-376

46 and 8-377 or in regulations adopted pursuant to section 8-381,
47 provided no such designation shall be removed less than ten years
48 from the original date of approval of such zone.

49 (b) The commissioner shall give immediate consideration for
50 financial assistance pursuant to chapter 128, 130, 133, 138 or 588I or
51 section 8-37pp or 8-336p to proposals from eligible developers, as
52 defined in section 8-39, that will be located in a housing development
53 zone. If a project to be located in a housing development zone is
54 comparable to a project that will not be located in a housing
55 development zone, the commissioner shall give priority to
56 authorization of the project in the housing development zone.

57 Sec. 3. Section 32-1m of the general statutes is amended by adding
58 subdivision (16) as follows (*Effective July 1, 2007*):

59 (NEW) (16) A summary of projects funded in housing development
60 zones, designated pursuant to section 8-378, as amended by this act,
61 along with a description of the priority the projects received, the
62 number funded and the amount of funds awarded. The commissioner
63 shall submit a copy of the summary to the joint standing committee of
64 the General Assembly having cognizance of matters relating to
65 planning and development and to the select committee of the General
66 Assembly having cognizance of matters relating to housing.

67 Sec. 4. Subdivision (v) of section 32-222 of the general statutes is
68 repealed and the following is substituted in lieu thereof (*Effective July*
69 *1, 2007*):

70 (v) "Targeted investment community" means a municipality which
71 contains an enterprise zone designated pursuant to section 32-70 or a
72 housing development zone designated pursuant to section 8-378, as
73 amended by this act.

74 Sec. 5. Subsection (d) of section 10-416 of the general statutes is
75 repealed and the following is substituted in lieu thereof (*Effective July*
76 *1, 2007*):

77 (d) The commission shall, in consultation with the Commissioner of
78 Revenue Services, adopt regulations, in accordance with chapter 54, to
79 carry out the purposes of this section. Such regulations shall provide
80 that if the historical significance of a home located in a housing
81 development zone designated pursuant to section 8-378, as amended
82 by this act, is comparable to the historical significance of a home that is
83 not located in a housing development zone, priority for issuance of tax
84 credit vouchers shall be given to the historic home located in the
85 housing development zone.

86 Sec. 6. Subsection (d) of section 10-416a of the general statutes is
87 repealed and the following is substituted in lieu thereof (*Effective July*
88 *1, 2007*):

89 (d) The commission shall adopt regulations, in accordance with
90 chapter 54, to carry out the purposes of this section. Such regulations
91 shall include provisions for filing of applications, rating criteria and for
92 timely approval by the commission. Such regulations shall provide
93 that if the historical significance of a certified historic structure located
94 in a housing development zone designated pursuant to section 8-378,
95 as amended by this act, is comparable to the historical significance of a
96 certified historic structure that is not located in a housing development
97 zone, priority for issuance of tax credit vouchers shall be given to the
98 certified historic structure located in the housing development zone.

99 Sec. 7. Subsection (k) of section 8-395 of the general statutes is
100 repealed and the following is substituted in lieu thereof (*Effective July*
101 *1, 2007*):

102 (k) The Connecticut Housing Finance Authority, with the approval
103 of the Commissioner of Revenue Services, shall adopt written
104 procedures in accordance with section 1-121 to implement the
105 provisions of this section. Such procedures shall include provisions for
106 issuing tax credit vouchers for cash contributions to housing programs
107 based on a system of ranking housing programs. In establishing such
108 ranking system, the authority shall consider the following: (1) The

109 readiness of the project to be built; (2) use of the funds to build or
110 rehabilitate a specific housing project or to capitalize a revolving loan
111 fund providing low-cost loans for housing construction, repair or
112 rehabilitation to benefit persons of very low, low and moderate
113 income; (3) the extent the project will benefit families at or below
114 twenty-five per cent of the area median income and families with
115 incomes between twenty-five per cent and fifty per cent of the area
116 median income, as defined by the United States Department of
117 Housing and Urban Development; (4) evidence of the general
118 administrative capability of the nonprofit corporation to build or
119 rehabilitate housing; (5) evidence that any funds received by the
120 nonprofit corporation for which a voucher was issued were used to
121 accomplish the goals set forth in the application; [and] (6) with respect
122 to any income year commencing on or after January 1, 1998: (A) Use of
123 the funds to provide housing opportunities in urban areas and the
124 impact of such funds on neighborhood revitalization; and (B) the
125 extent to which tax credit funds are leveraged by other funds; and (7)
126 whether or not the project is located in housing development zones.

127 Sec. 8. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
128 and annually thereafter, the Commission on Culture and Tourism shall
129 submit a report to the joint standing committee of the General
130 Assembly having cognizance of matters relating to planning and
131 development and to the select committee of the General Assembly
132 having cognizance of matters relating to housing on the issuance of tax
133 credit vouchers for historic homes located in housing development
134 zones pursuant to section 10-416 of the general statutes, as amended by
135 this act, and certified historic structures in housing development
136 zones, pursuant to section 10-426a of the general statutes, as amended
137 by this act. Such report shall include information on the vouchers
138 issued for historic homes and certified historic structures located in
139 housing development zones, along with a description of the priority
140 they received, the number and the amount of such vouchers issued.

141 Sec. 9. (NEW) (*Effective July 1, 2007*) In issuing tax credits under the
142 Low Income Tax Credit Program, 26 USC 42, the Connecticut Housing

143 Finance Authority shall give priority to projects located in housing
144 development zones.

145 Sec. 10. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
146 and annually thereafter, the Connecticut Housing Finance Authority
147 shall submit a report on the issuance of tax credits under section 8-395
148 of the general statutes, as amended by this act, and under the Low
149 Income Tax Credit Program, 26 USC 42 to the joint standing committee
150 of the General Assembly having cognizance of matters relating to
151 planning and development and to the select committee of the General
152 Assembly having cognizance of matters relating to housing. Such
153 report shall include information on the vouchers issued for housing
154 located in housing development zones, along with a description of the
155 priority they received, the number and amount of such vouchers
156 issued.

157 Sec. 11. (NEW) (*Effective October 1, 2007*) (a) Any municipality that is
158 eligible for small town economic assistance under section 4-66g of the
159 general statutes may designate, by ordinance adopted by its legislative
160 body, a nutmeg zone within the municipality. Such ordinance shall
161 identify a specific geographic area as such zone and shall establish
162 criteria and goals for economic activity in the zone.

163 (b) Upon designation of a nutmeg zone under subsection (a) of this
164 section, the municipality may apply to the Commissioner of Economic
165 and Community Development for state approval of the designation.
166 The municipality seeking the approval of the commissioner for
167 designation of an area of the municipality as a nutmeg zone shall file
168 with the commissioner a preliminary application. Not later than sixty
169 days after receipt of such a preliminary application, the commissioner
170 shall indicate to the municipality, in writing, any recommendations for
171 improving the municipality's application. On or before July 1, 2008,
172 and annually thereafter, the commissioner shall conduct a lottery to
173 select ten nutmeg zones in the state.

174 (c) The amount of property taxes due under chapter 203 of the

175 general statutes for a facility that is acquired, constructed, substantially
176 renovated or expanded in a nutmeg zone, on or after the effective date
177 of this section, shall be reduced by ten per cent in each of the ten full
178 assessment years following the assessment year in which the
179 acquisition, construction, renovation or expansion of the facility is
180 completed. The state, acting by and in the discretion of the
181 Commissioner of Economic and Community Development, shall enter
182 into a contract with the municipality in which the nutmeg zone is
183 located to provide a grant to the municipality in an amount equal to
184 ten per cent of the amount that would have been due for property
185 taxes except for the provisions of this section. Such grant shall be made
186 annually for the ten assessment years that the taxes due for the facility
187 are reduced.

188 (d) The Commissioner of Economic and Community Development
189 may adopt regulations, in accordance with chapter 54 of the general
190 statutes, to implement this section.

191 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) The zoning commission of
192 each municipality may establish a farm restoration zone as part of the
193 zoning regulations adopted under section 8-2 of the general statutes or
194 any special act.

195 (b) A farm restoration zone shall be an overlay zone and shall
196 satisfy the following requirements:

197 (1) Any farm in a farm restoration zone may use a portion of its
198 acreage for new rental residential building structures;

199 (2) Any such new rental residential building structures shall be
200 owned by the owner of the farm;

201 (3) The maximum acreage for rental residential structures shall be
202 fifteen per cent of the total farm acreage, including existing farm-
203 related buildings;

204 (4) Such rental residential building structures shall be taxed as

205 comparable residential structures in the municipality and the owner
206 shall maintain the farm land classification of the remaining portion of
207 the property; and

208 (5) No portion of a farm the development rights to which have been
209 transferred to the state pursuant to section 22-26cc of the general
210 statutes may be developed pursuant to this section.

211 (c) Prior to the development of new rental residential building
212 structures pursuant to this section, the owner of the farm shall submit
213 to the zoning commission an application that satisfies the requirements
214 of subsection (d) of this section and shall obtain the commission's
215 approval of that application.

216 (d) Any new residential rental building structures in a farm
217 restoration zone shall be developed in accordance with the zoning
218 regulations of the municipality. A proposal for construction of new
219 rental residential building structures shall not be approved unless the
220 applicant submits to the zoning commission detailed plans regarding
221 the proposed rental residential building structures and sufficient
222 information for such commission to determine that (1) at least fifty per
223 cent of the net revenue from the development will be paid on a
224 quarterly basis to the owner of the farm for restoration, operation,
225 maintenance and perpetual support of the farm; (2) twenty per cent of
226 the dwelling units in any new rental residential building structures
227 will be affordable housing as defined in section 8-39a of the general
228 statutes; (3) buildings constructed in the zone will reflect the design
229 and style of the existing farm building and farm-related buildings on
230 the site; and (4) parking areas will be constructed of pervious material,
231 have proper screening using farmland landscaping material, maintain
232 the natural farmland character and blend into general farmland
233 aesthetics.

234 (e) After approval of an application by the zoning commission, and
235 at the time of the filing of the plans in the office of the town clerk, the
236 applicant shall also file in such clerk's office a deed restriction that

237 prohibits nonfarm-related development on the property except
 238 development authorized under regulations adopted under this section
 239 for a period of not less than ten years after the date of filing.

240 (f) After the expiration of the deed restriction provided for in
 241 subsection (d) of this section, the owner may sell the property to a
 242 government entity or nonprofit land-holding conservation
 243 organization for agriculture or open space preservation. There shall be
 244 two independent appraisals conducted on the property. Each such
 245 appraisal shall be conducted by a state certified real estate appraiser
 246 without consultation with the appraiser conducting the other
 247 independent appraisal, and shall be conducted in accordance with
 248 generally accepted standards of professional appraisal practice as
 249 described in the Uniform Standards of Professional Appraisal Practice
 250 issued by the Appraisal Standards Board of the Appraisal Foundation
 251 pursuant to Title XI of FIRREA and any regulations adopted pursuant
 252 to section 20-504. Each appraiser shall provide a copy of the appraisal
 253 to the agency and the property owner. The amount of compensation
 254 for such real property shall be equal to the average of the amounts
 255 determined by the two independent appraisals. If a government entity
 256 or nonprofit land-holding conservation organization has not
 257 purchased such property by a date that is not more than three years
 258 after the expiration of the deed restriction, the owner may convey the
 259 property to any person without a restriction limiting the use of the
 260 property to agriculture or open space preservation. Until the sale of the
 261 property, the property shall not be subdivided."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	8-376
Sec. 2	<i>July 1, 2007</i>	8-378
Sec. 3	<i>July 1, 2007</i>	32-1m
Sec. 4	<i>July 1, 2007</i>	32-222(v)
Sec. 5	<i>July 1, 2007</i>	10-416(d)
Sec. 6	<i>July 1, 2007</i>	10-416a(d)
Sec. 7	<i>July 1, 2007</i>	8-395(k)

Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>October 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section